

MINUTES

**CALIFORNIA HEALTH FACILITIES FINANCING AUTHORITY
(CHFFA or AUTHORITY)
915 Capitol Mall, Room 587
Sacramento, California 95814
April 30, 2020 – 1:30 P.M.**

In light of the COVID-19 pandemic and in accordance with the requirements of Executive Order N-25-20 to provide social distancing at state body meetings, CHFFA provided Authority members, participants, and members of the public the opportunity to participate in this meeting via teleconference.

Public Participation

Call-In Number: (877) 810-9415 and Participant Code: 6535126

OPEN SESSION

Treasurer Fiona Ma, Chair, called the meeting to order at 1:30 P.M.

The Secretary announce to the public join in by phone the instructions for being heard. The Chair went on to mention social distancing measures being taken for the meeting.

<u>Item #1</u>	<u>Roll Call</u>
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Members Present:	Fiona Ma, CPA, State Treasurer <u>Via teleconference:</u> Jacqueline Wong-Hernandez for Betty T. Yee, State Controller Gayle Miller for Keely Martin Bosler, Director, Department of Finance Judith Frank Robert Cherry M.D. Oscar Sablan M.D. (arrived at 1:36 P.M.) Katrina Kalvoda
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Members Absent:	Jay Hansen Keri Kropke
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Staff Present:	Frank Moore, Executive Director Carolyn Aboubechara, Deputy Executive Director Summer Nishio, Staff Services Manager II Brock Lewis, Staff Services Manager I Sondra Jacobs, Staff Services Manager I
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Chair Ma declared a quorum present.

<u>Item #2</u>	<u>Approval of the Minutes from the March 26, 2020 Meeting (Action Item)</u>
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Chair Ma asked if there were any questions or public comment; there were none.

Authority Action

Motion to approve the minutes from the March 26, 2020 meeting.

MOTION:	Member Frank	SECOND:	Member Wong-Hernandez
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AYES:.....Members: Kalvoda, Cherry, Frank, Miller, Wong-Hernandez, Ma
NOES:.....NONE
ABSTAIN:.....NONE
RECUSE:.....NONE

MOTION APPROVED.

Item #3 **Executive Director's Report (Information Item)**

CHFFA Comprehensive Debt List Summaries

Mr. Moore reported on the Comprehensive and Equipment Debt List Summaries.

Tax-Exempt Bonds Delegation of Powers Monthly Update

Mr. Moore presented a Delegation of Powers report for the City of Hope regarding the execution of two Interest Rate Swap Identification Certificates. Mr. Moore reported that the City of Hope requested the Authority to execute two Interest Rate Swap Identification Certificates in anticipation of the possible issuance of bonds through CHFFA in 2022. Mr. Moore executed two Interest Rate Swap Identification Certificates on March 13, 2020.

Mr. Moore presented a Delegation of Powers report for the City of Hope regarding the execution of several documents relating to the CHFFA Series 2017A and 2017B bonds. Mr. Moore reported that the City of Hope requested the Authority to execute two Supplemental Bond Indentures, two Replacement Notes, and a Reissuance Tax Certificate to amend the interest rate setting mechanism. Mr. Moore executed the above mentioned documents on April 1, 2020.

HELP II Loan Program Delegation of Powers Monthly Update

Mr. Moore reported that there were no actions taken pursuant to the HELP II Loan Program Delegation of Powers Resolution.

Contract Delegation of Powers Monthly Update

Mr. Moore reported that there were no actions taken pursuant to the Contract Delegation of Powers Resolution.

Investment in Mental Health Wellness Grant Program Update

Mr. Moore gave an overview and highlighted a few items in the Quarterly Milestones update focusing on Mendocino and Merced Counties.

Other Items

Mr. Moore reported that copies of the Community Services Infrastructure Grant Program Report to the Legislature were sent to the Authority members and had been previously transmitted to the Legislature.

Mr. Moore reported that the first funding round of Children's Hospital Program of 2018 for Eligible Hospitals, the competitive portion of the program, ended on March 30, 2020. Mr. Moore reported that a total of 12 applications were received for a combined total of \$148.5 million out of the \$150 million reserved for the Eligible Hospitals. He continued that the applications were being reviewed for eligibility and that staff would return to the Authority with proposed allocations at a future date.

Mr. Moore informed the Authority that Assembly Member Nazarian's office would not be pursuing AB 2292 due to the COVID-19 pandemic.

Mr. Moore reported that a letter was received from California Health Plus Advocates, Essential Access Health, and Planned Parenthood. The letter regarding the proposal to update the Lifeline Grant Program was sent to the Senate and Assembly Budget Committees and copied to CHFFA Authority Members. Mr. Moore reported that he contacted the group to have a discussion with them concerning the proposal and that he expects to have ongoing conversations with them in the future.

Chair Ma asked if there were any questions or public comment; there were none.

Item #4 **HELP II Loan Program Fund Analysis (Information Item)**

Brock Lewis, Program Manager, presented the HELP II Loan Program Fund Analysis as it related to proposed programs to address the COVID-19 pandemic. Staff proposed the allocation of \$5 million from the HELP II fund to create the COVID-19 Emergency HELP Loan Program and additionally allow HELP II borrowers to defer debt service payments for up to three months. Mr. Lewis discussed four case studies that were used to determine the effects on the HELP II fund balance considering the reduction of \$5 million and the loss of loan payments from potential deferrals. Mr. Lewis also noted that \$2 million from the Lifeline Grant Program is expected to revert back to the HELP II fund on July 1, 2020. Each case study considers the number of HELP II loans expected to close during calendar year 2020: current volume (4 loans), low volume (5 loans), average volume (6 loans) and high volume (8 loans). Mr. Lewis concluded that the results of the case studies reflect the resilience of the HELP II fund balance as none of the case studies reflect the balance reaching the required \$6 million minimum floor.

Member Wong-Hernandez asked how projections would be affected if a borrower is unable to pay for the remainder of the year.

Mr. Lewis responded that if borrowers defer payments for the remainder of the year, even in the high volume case scenario, there would still be approximately \$5 million in the end of year HELP II Fund Balance.

Member Wong-Hernandez asked what the lowest HELP II fund balance staff would recommend before taking \$5 million to put toward another program.

Mr. Lewis responded that there is not a point below which the program would fall apart but that he would recommend a balance of around \$5-6 million. There is a \$6 million dollar floor, below which some terms would revert back to former HELP II terms. If the HELP II fund balance would fall below the current \$6 million floor, the HELP II Loan Program would still function, but would just offer loans at the program's former terms (interest rate would return to 3% and the maximum loan amount would be \$1 million), and CHFFA would still be able to issue loans until the entire fund balance is depleted.

Chair Ma asked if there were any additional questions or public comment; there were none.

Item #5 **COVID-19 Emergency HELP Loan Program**
Resolution No. 2020-02 (Action Item)

Mr. Lewis, Program Manager, presented. Staff requested approval to allocate \$5 million of the HELP II Loan Program fund for the COVID-19 Emergency HELP Loan Program (Program).

Mr. Lewis reported that under the Program, delegated authority would be given to the Executive Director and Deputy Executive Director to issue loans up to \$250,000.00. Mr. Lewis added that each borrower would need to provide evidence acceptable to the Authority that the health facility has been impacted by the COVID-19 pandemic and that loan proceeds would be used to address the impact.

Mr. Moore reminded the Authority that he would report all actions taken under his delegated authority.

Member Frank asked whether this program would be for existing borrowers or new borrowers and if for existing borrowers, would the application process be streamlined.

Mr. Lewis responded it would be for any borrower that met the eligibility requirements. If an existing borrower applied, staff would work with them to reduce the administrative burden.

Member Miller suggested informing current borrowers that the administrative burden may be less on them.

Chair Ma asked if there were any additional questions or public comment; there were none.

Authority Action

Motion to approve Resolution No. 2020-02 to establish the COVID-19 Emergency HELP Loan Program, subject to the parameters in the resolution.

MOTION: Member Wong-Hernandez SECOND: Member Miller

AYES:.....Members: Kalvoda, Cherry, Frank, Miller, Wong-Hernandez, Ma

NOES:.....NONE

ABSTAIN:.....NONE

RECUSE:.....NONE

MOTION APPROVED.

Item #6

**HELP II Loan Program Debt Service
Payment Deferrals Due to COVID-19
Resolution No. 2020-03 (Action Item)**

Summer Nishio, Program Manager, presented. Staff requested approval to authorize debt service payment deferrals under the HELP II Loan Program due to the COVID-19 pandemic.

Ms. Nishio reported that the threat of the COVID-19 pandemic could impact HELP II loan borrowers' ability to make loan repayments. The deferral of loan debt service payments could assist borrowers in meeting their financial needs in order to continue providing health care services in their communities during the pandemic. Ms. Nishio added that borrowers with current HELP II loan balances may request a one-time loan deferral for up to three months to help defray the cost of responding to the COVID-19 pandemic. The Executive Director and Deputy Executive Director would be granted delegated authority to approve the deferral of loan payments upon receipt of evidence that the borrower has been impacted by the COVID-19 pandemic.

Chair Ma asked if there were any questions or public comment; there were none.

Authority Action

Motion to approve the Resolution No. 2020-03 authorizing debt service payment deferrals under the HELP II Loan Program due to the COVID-19 pandemic, subject to the parameters in the resolution.

MOTION: Member Wong-Hernandez SECOND: Member Miller

AYES:.....Members: Kalvoda, Cherry, Frank, Miller, Wong-Hernandez, Ma

NOES:.....NONE

ABSTAIN:.....NONE

RECUSE:.....NONE

MOTION APPROVED.

Item #7 **University of California, Irvine Medical Center**
First Amendment to Resolution No. CHP 2018-05
Children's Hospital Bond Act of 2004 (Action Items)

Mr. Moore reported that this item was removed from the agenda.

Item #8 **University of California, Irvine Medical Center**
First Amendment to Resolution No. CHP-3 2018-04
Children's Hospital Bond Act 2008 (Action Item)

Mr. Moore reported that this item was removed from the agenda.

Item #9 **County of Los Angeles Quarterly Update**
Resolution No. MH 2014-06
Investment in Mental Health Wellness Act of 2013 (Information Item)

Sondra Jacobs, Program Manager, presented. Ms. Jacobs gave an overview of the County of Los Angeles' (County) eighth quarterly update.

Attendee: (via teleconference) Jo Ann Yanagimoto-Pinedo, Deputy Director of Strategic Initiatives, Los Angeles County Department of Mental Health.

Ms. Yanagimoto-Pinedo thanked the Authority and stated that the projects are still on track to meet the open and operational milestone deadlines. She stated that all of the design-build contractors have expressed commitment to meeting the project deadlines and acknowledged that COVID-19 may have an impact on their workforce.

Chair Ma asked if there were any questions or public comment; there were none.

Item #10 **County of Mendocino Quarterly Update**
Resolution No. MH 2015-03
Investment in Mental Health Wellness Act of 2013 (Information Item)

Sondra Jacobs, Program Manager, presented. Ms. Jacobs gave an overview of the County of Mendocino's (County) first quarterly update.

Attendees: (via teleconference) Jenine Miller, Director and Karen Lovato, Acting Deputy Director, Mendocino County Behavioral Health and Recovery Services; Eric Fadness, Principal-in-Charge and DeAnn Splinter, Associate Principal, Nacht & Lewis.

Ms. Lovato reported that the County visited two different Crisis Residential Treatment programs, and Nacht & Lewis made some adjustments to the conceptual plans based on insights gained from the visits. The plans were presented and vetted through the Measure B Committee in March 2020. In April 2020, the County met with the City of Ukiah to discuss the project. The architectural phase has been completed, and the project is moving on to the site investigation and design phases. Ms. Lovato stated that the project is on track to be completed by the deadlines.

Mr. Fadness reported that the California Environmental Quality Act process had begun, there were no objections from the City of Ukiah concerning the project, and he does not expect any delays.

Member Frank asked if they would be able to acquire a mitigated negative declaration.

Mr. Fadness responded there would be a negative declaration.

Chair Ma asked if there were any additional questions or public comment; there were none.

Items #11 and #12

Public Comment and Adjournment

Chair Ma asked for public comment. Hearing none, the meeting adjourned at 2:06 P.M.